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PERMANENT SOVEREIGNTY OVER NATIONAL RESOURCES IN THE OCCUPIED PALESTINIAN AND OTHER ARAB TERRITORIES

Bangladesh, Cuba, Djibouti, Egypt*, Jordan, Malaysia, Sudan and Tunisia - draft resolution

Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan

The Economic and Social Council,

Recalling General Assembly resolution 51/190 of 16 December 1996,

Recalling also its resolution 1996/40 of 26 July 1996,

Guided by the principles of the Charter of the United Nations, affirming the inadmissibility of the acquisition of territory by force, and recalling relevant Security Council resolutions, including resolutions 242 (1967) of 22 November 1967, 465 (1980) of 1 March 1980 and 497 (1981) of 17 December 1981,

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* In accordance with rule 72 of the rules of procedure of the Economic and Social Council.

Reaffirming the applicability of the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949, [1] to the occupied Palestinian territory, including Jerusalem, and other Arab territories occupied by Israel since 1967,

Convinced that foreign occupation impedes efforts to achieve sustainable development and a sound economic environment,

Gravely concerned about the deterioration of economic and living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population of the occupied Syrian Golan,

Aware of the important work being done by the United Nations and the specialized agencies in support of the economic and social development of the Palestinian people,

Conscious of the urgent need for the development of the economic and social infrastructure of the occupied Palestinian territory, including Jerusalem, and for the improvement of the living conditions of the Palestinian people as a prerequisite for promoting peace and stability,

1. Stresses the need to preserve the territorial integrity of all of the occupied Palestinian territory and to guarantee the freedom of movement of persons and goods in the territory, including the removal of restrictions into and from East Jerusalem, and the freedom of movement to and from the outside world;

2. Stresses further the vital importance of the operation and construction of the Gaza airport, the seaport in Gaza and safe passage to the economic and social development of the Palestinian people;

3. Demands that Israel, the occupying Power, cease its measures of collective punishment against the Palestinian people, in particular, the closure of the occupied Palestinian territory, the enforcement of sieges against Palestinian towns, the destruction of homes and the isolation of Jerusalem;

4. Reaffirms the inalienable right of the Palestinian people and the Arab population of the occupied Syrian Golan to all their natural and economic resources, and calls upon Israel, the occupying Power, not to exploit, endanger, or cause loss or depletion of these resources;

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[1] United Nations, Treaty Series, vol. 75, No. 973.

5. Reaffirms also that Israeli settlements in the occupied Palestinian territory, including Jerusalem, and the occupied Syrian Golan are illegal and an obstacle to economic and social development;

6. Stresses the importance of the work of the organizations and agencies of the United Nations, and of the United Nations Special Coordinator in the Occupied Territories under the auspices of the Secretary-General;

7. Urges Member States to encourage private foreign investment in the occupied Palestinian territory, including Jerusalem, in infrastructure, job-creation projects and social development, in order to alleviate the hardship of the Palestinian people and improve their living conditions;

8. Requests the Secretary-General to submit a report on the implementation of the present resolution and to continue to include, in the report of the United Nations Special Coordinator in the Occupied Territories, an update on the living conditions of the Palestinian people, in collaboration with relevant organizations and agencies of the United Nations;

9. Decides to include in the agenda of its substantive session of 1998, an item entitled "Repercussions of the Israeli occupation on the economic and social rights and the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and the Arab population in the occupied Syrian Golan".

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OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION: FOLLOW-UP TO POLICY RECOMMENDATIONS OF THE GENERAL ASSEMBLY

Draft resolution submitted by the Vice-President of the Council, H.E. Mr. Anwarul Karim Chowdhury (Bangladesh), as a result of informal consultations held on draft resolution E/1997/L.27

Operational activities of the United Nations for international development cooperation: follow-up to policy recommendations of the General Assembly

The Economic and Social Council,

Recalling General Assembly resolutions 47/199 of 22 December 1992 and 50/120 of 20 December 1995 on the triennial policy review of operational activities for development of the United Nations system and 50/227 of 24 May 1995 on further measures for the restructuring and revitalization of the United Nations in the economic, social and related fields, and Economic and Social Council resolution 1996/42 of 26 July 1996,

Recalling also that, in order to fulfil its coordination role, and in accordance with the policies formulated by the Assembly, the Council should consider, on an annual basis in the operational activities segment, the overall financial picture of the United Nations funds and programmes, including the availability of resources, the priorities and programmes agreed upon in the funds and programmes, the adopted targets and further guidance on priorities, and should make recommendations thereon to the Assembly and the funds and programmes,

Reaffirming that operational activities for development within the United Nations system have a critical and unique role to play in enabling developing countries to continue to take a lead role in the management of their own development process and that the funds and programmes constitute important vehicles for advancing international development cooperation,

Noting with regret that, although significant progress has already been made on the restructuring and rationalization of the governance and functioning of the United Nations funds and programmes, there has not been, as part of the overall reform process, any substantial increase in resources for operational activities for development on a predictable, continuous and assured basis, nor have the consultations on prospective new modalities for financing reached a conclusion,

Expressing serious concern at the persistent insufficiency of resources for the operational development activities of the United Nations, in particular the decline in contributions to core resources,

Also recognizing the importance of non-core resources as a supplement to core resources aimed at enhancing the capacity of the United Nations development system to deliver operational activities,

Stressing that the fundamental characteristics of the operational activities of the United Nations system should be, inter alia, their universal, voluntary and grant nature, their neutrality and their multilateralism, as well as their ability to respond to the needs of developing countries in a flexible manner, and that the operational activities of the United Nations system are carried out for the benefit of the developing countries, at the request of those countries and in accordance with their own policies and priorities for development,

Recognizing the need for priority allocation of scarce grant resources to programmes and projects in low-income countries, in particular the least developed countries,

Also recognizing that the United Nations development system should take into account the specific needs and requirements of the countries with economies in transition,

Noting with appreciation the sustained contributions of many donors and recipient countries to the operational activities for development in a spirit of partnership and the recently expressed willingness of some donors to increase their contribution to the funds and programmes,

Recognizing that capacity-building and its sustainability are an essential element for the operational activities of the United Nations system at the country level, which should be country-led and country-driven, bearing in mind the individual mandates and complementarities of the organizations and bodies of the United Nations development system,

Noting that Assembly resolution 50/120, Council resolution 1996/42 and the present resolution provide an opportunity to review all aspects of operational activities,

Noting as well that much remains to be done to achieve the goals set by the Assembly in its resolution 50/120,

1. Takes note of the reports of the Secretary-General [1] and of the reports of the United Nations funds and programmes; [2]

2. Strongly reaffirms that the efficiency, effectiveness and impact of the operational activities of the United Nations system must be enhanced by, inter alia, a substantial increase in their funding on a predictable, continuous and assured basis, commensurate with the increasing needs of developing countries, as well as through the full implementation of General Assembly resolutions 47/199, 48/162 of 20 December 1993, 50/120 and 50/227;

3. Urges the developed countries, in particular those countries whose overall performance is not commensurate with their capacity, taking into account established official development assistance targets, including targets established at the Second United Nations Conference on the Least Developed Countries, and their current level of contribution, to increase substantially their official development assistance, including contributions to the operational activities for development of the United Nations system;

4. Stresses that other countries that are in a position to do so should strive to augment their assistance in the framework of development cooperation;

1/ E/1997/65 and Add.1-4, A/52/155-E/1997/68, E/1997/78 and E/1997/89.

2/ E/1997/32 (Parts I and II), E/1997/34 and Add.1, E/1997/49, E/1997/59, E/1997/72, E/1997/79, E/1997/L.20, DP/1997/6, DP/1997/12, and DP/1997/22.

5. Recommends that the Executive Boards of the United Nations funds and programmes review and monitor, as a matter of priority and within the context of their regular meetings, their funding arrangements, with a view to making funding more secure and predictable with respect to core resources, and with a view to meeting their funding targets, their programme objectives, and the priorities and needs of programme countries, and calls upon the Executive Boards to take decisions on their own funding arrangements in accordance with Assembly resolution 50/227, in particular annex I, paragraph 12, and to report thereon to the Council at its substantive session of 1998;

6. Requests the Secretary-General to update proposals for funding modalities within the context of the efforts to provide United Nations operational activities with resources, in particular core resources, on a predictable, continuous and assured basis, taking into account that voluntary contributions from official sources should remain the main source for funding those activities;

7. Reaffirms that the objective of capacity-building and its sustainability should continue to be an essential part of the operational activities of the United Nations system at the country level and should be country-driven and situation specific, and should be based on the programme approach, to the extent possible, consistent with national development plans and priorities;

8. Takes note of the preparations for the impact evaluation of operational activities on capacity-building requested in paragraph 56 of Assembly resolution 50/120, and invites the bodies of the United Nations system to participate actively and to support the ongoing study of the Secretariat;

9. Emphasizes that capacity-building should aim at strengthening national execution, particularly in institutional and human resource development of all relevant participants in the development process, with a view to enhancing local ownership and management of the development process, utilizing available local capacities and expertise;

10. Reaffirms that the United Nations development system should continue to work on developing a common understanding of the concept of

capacity-building as it applies to the respective mandates of each organization, taking into account the experience acquired to date and the new emerging requirements of programme countries;

11. Requests the Secretary-General, in the context of the preparations of the next triennial policy review, to report to the Assembly, through the Council, on the implementation of Assembly resolution 50/120, Council resolution 1996/42 and the present resolution, and on progress made and problems encountered and to make appropriate recommendations, including, inter alia, on delegation of authority and of decision-making to the field level, establishing a more coordinated system-wide approach to monitoring and evaluation, and strengthening the coordination of regional, subregional and field-level activities of the United Nations system.

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INTEGRATED AND COORDINATED IMPLEMENTATION AND FOLLOW-UP OF THE MAJOR INTERNATIONAL UNITED NATIONS CONFERENCES AND SUMMITS

Draft resolution submitted by the Vice-President of the Council, Mr. Juan Somavia (Chile), as a result of informal consultations

Eradication of poverty

The Economic and Social Council,

Recalling its agreed conclusions 1996/1 on the coordination of United Nations system activities for poverty eradication,

Taking note of the report of the Secretary-General on the implementation of the agreed conclusions of the 1996 coordination segment of the Council on the eradication of poverty, [1]

1. Reaffirms that the goal of eradicating poverty in the world is an ethical, social, political and economic imperative;

2. Reaffirms also that the Council will continue to provide overall guidance and oversee system-wide coordination in the implementation of its agreed conclusions 1996/1 on the eradication of poverty by all organizations of the United Nations system;

3. Stresses the need for implementation by the United Nations system of its agreed conclusions 1996/1 on coordinated United Nations support and availability of resources for poverty eradication activities at the field level;

1/ E/1997/58.

4. Welcomes the steps already taken by functional commissions, in particular the Commission for Social Development and the Commission on the Status of Women, to implement the recommendations of the Council on the coordination of the multi-year programmes of the functional commissions related to poverty eradication, and calls upon all relevant functional commissions to fully implement the recommendations contained in its agreed conclusions 1996/1;

5. Decides, in accordance with its agreed conclusions 1996/1, to carry out in 1999, under the agenda item on integrated and coordinated implementation and follow-up of the major United Nations conferences and summits, an overall review of the theme of poverty eradication in order to contribute to the special session of the General Assembly in the year 2000 for the overall review of the World Summit for Social Development and to the five-year review of the Beijing Platform for Action [2] also in the year 2000.

2/ Report of the Fourth World Conference on Women, Beijing, 4-15 September 1995 (United Nations publication, Sales No. E.96.IV.13), chap. I, resolution I, annex II.

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INTEGRATED AND COORDINATED IMPLEMENTATION AND FOLLOW-UP OF THE MAJOR INTERNATIONAL UNITED NATIONS CONFERENCES AND SUMMITS

Draft decision submitted by the Vice-President of the Council, Mr. Juan Somavía (Chile), as a result of informal consultations

Session of the Economic and Social Council in 1998 on integrated and coordinated implementation and follow-up of the major United Nations conferences and summits

The Economic and Social Council,

(a) Notes that General Assembly resolution 50/227 of 24 May 1996, the Agenda for Development and other relevant resolutions of the Assembly and the Council as well as the Council's Agreed Conclusions provide a basis for intergovernmental integrated and coordinated implementation and follow-up of the major United Nations conferences and summits;

(b) Decides to convene a session of the Council immediately after its organizational session of 1998, of two or three days' duration, to further consider the theme of integrated and coordinated implementation and follow-up of the major United Nations conferences and summits, with a view to assisting the consideration of this item at the substantive session of 1998;

(c) Also decides that special attention in this session will be dedicated to considering the outcome of the comprehensive review by the Administrative Committee on Coordination, to be carried out at its second regular session of 1997, on the work of its task forces as well as to enhancing the dialogue between the Council, its subsidiary bodies and the United Nations funds and programmes and organizations of the system, in particular within the context of the preparation of forthcoming review processes of United Nations conferences, with a view to ensuring the promotion of the integrated and coordinated follow-up to the United Nations global conferences, in pursuit of the goals and commitments established by international conferences;

(d) Requests the Bureau of the Council in consultation with the Secretariat to establish arrangements for this session.

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Agenda item 2

FOSTERING AN ENABLING ENVIRONMENT FOR DEVELOPMENT: FINANCIAL FLOWS, INCLUDING CAPITAL FLOWS; INVESTMENT; TRADE

Draft agreed conclusions submitted by the President of the Council

1. During its high-level segment (2-4 July 1997), the Council carried out a comprehensive review of the theme "Fostering an enabling environment for development: financial flows, including capital flows, investment and trade". On 2 July, a stimulating dialogue was held with the Managing Director of the International Monetary Fund (IMF), the Director-General of the World Trade Organization (WTO), the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), the Under-Secretary-General in charge of the economic and social departments of the Secretariat and the Vice-President of the World Bank. On 4 July, a panel discussion with a group of eminent persons from the business and academic worlds was also held.

2. The Council took note of the World Economic and Social Survey, 1997 (E/1997/50) and the report of the Secretary-General (E/1997/67).

I. THE CONTEXT

3. The Council considered the theme in the context of the current global economic environment and recognized that the overall world economic outlook was favourable. At the same time, growth is not spread widely enough and the gap between developed and developing countries remains unacceptably wide.

For many countries, particularly the least developed and the African countries, the threat of marginalization is real. Many continue to suffer from slow economic growth or stagnation. Also, unemployment is at unacceptably high levels, not only in developing countries but also in developed countries and countries with economies in transition.

4. Globalization is a fact and a dynamic force. It offers opportunities as well as risks. The global opportunities created by it must benefit all countries and the risks associated with it should be managed and minimized. This will require strengthened international cooperation as well as careful stewardship and sound policies.

II. FRAMEWORK FOR INTERNATIONAL COOPERATION AND NATIONAL POLICIES

A. Strengthened international cooperation

5. Each country has the primary responsibility for its own development. However, international cooperation and partnership have a vital role in creating a favourable climate in which capital flows, investment and trade can flourish.

6. The broad elements of an enabling international environment for development include: the creation and maintenance of stable international conditions; democratization in international relations in accordance with the Charter of the United Nations and international law; establishment of an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system; and support for the weakest and most vulnerable members of the international community through more favourable treatment in trade and finance.

7. The above calls for better integration of developing countries, including, in particular, the African countries and the least developed countries as well as landlocked developing countries and small island developing States, and the economies in transition into the world economy, which requires enhancing their capacity to become equal partners in the world economy. The international community should support national efforts for capacity-building in developing countries, including infrastructure and manpower development and research and development. In this regard, South-South cooperation and technical assistance from developed countries are also essential elements in promoting capacity-building in developing countries.

8. An international enabling environment also requires coordination of macroeconomic policies by the international community which foster conditions of stability, predictability and growth in the world economy, stable exchange rates, low interest rates and low fiscal deficits, as well as trade liberalization, more equitable access of developing countries to global markets, an increased flow of productive investments, technologies and knowledge to developing countries, and new and additional financial resources from all sources. It also calls for broadening and strengthening the participation of developing countries in international economic decision-making processes.

9. International cooperation efforts should be intensified and strengthened towards the developing countries' endogenous capacity-building in science and technology. There is a need to promote, facilitate and finance, as appropriate, access and transfer of environmentally sound technologies and the corresponding know-how, in particular to developing countries on favourable terms, including concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights as well as the special needs of developing countries.

B. National policies

10. Democracy, respect for all human rights and fundamental freedoms, including the right to development, transparent and accountable governance and administration in all sectors of society, and effective participation by civil society are an essential part of the necessary foundations for the realization of social and people-centred sustainable development. The empowerment of women and their full participation on the basis of equality in all spheres of society is fundamental for development.

11. The development and maintenance of adequate economic and social infrastructure, in particular a trained workforce and telecommunications and transportation facilities, are essential for the integration of countries in the world economy and should be given priority and receive the full support of the international community. Innovative policies designed to promote public-private partnerships to meet the enormous demands in these areas also need to be pursued.

12. An essential component of an enabling environment for development is sound national macroeconomic policies and the creation of favourable conditions for investment and increased domestic savings, including through the creation of a sound banking system. Governments must also provide for social and economic infrastructure development, basic social services and, in particular, the needs of women and children. People living in poverty should be assured access to micro-credit in order to enable them to undertake micro-enterprises, which in turn generate self-employment and contribute to achieving empowerment, especially of women, and the strengthening of institutions supportive of micro-credit should therefore be encouraged.

13. Many countries are undertaking structural adjustment and reform and are pursuing their outward-oriented policies. Their efforts need international support. Particular attention needs to be paid to integrating the social dimension in structural adjustment programmes to ensure equity and the empowerment of people living in poverty and of the disadvantaged and vulnerable groups of society.

C. Role of the United Nations system

14. The United Nations system, given its unique universal composition and reach, has a specific role to play in promoting an enabling environment for development. Through, *inter alia*, the recent cycle of international conferences, the United Nations has promoted agreements and understandings on policies and goals for development and has given further impetus to national action and international cooperation for development. The United Nations system must now promote effective implementation of the agreements reached by strengthening its normative and operational role in development.

III. POLICY ISSUES

A. Policy coherence

15. With the accelerating integration of the world economy, the interaction between the macroeconomic, structural, trade, financial and development aspects of economic policy-making has increased and is likely to intensify further. In the current economic environment, the question of policy coherence has thus emerged as a critical one for all participants in the global economy. An important aspect of policy coherence that affects the international environment for developing countries is the need for greater

coherence to maximize the impact of development cooperation. The United Nations, the Bretton Woods institutions, and WTO also need to provide coordinated support.

16. There is a need for an international dialogue on issues of policy coherence, and one of the Council's high-level meetings with the Bretton Woods institutions and WTO, called for under General Assembly resolution 50/227, should be devoted to this topic. Further study of these issues is required including by the Committee for Development Planning or its successor arrangements in order to develop approaches and modalities that the Council could consider at a subsequent session.

B. Marginalization

17. Many developing countries were not able to benefit from the globalization of the world economy over the past decade. Effective measures are called for to assist in their integration into the world economy.

18. The least developed countries face the greatest risk of marginalization. Many other countries in Africa, notably those south of the Sahara, are similarly challenged - they lack various elements in the physical, financial, human and institutional infrastructure necessary to enter and compete effectively in international markets. Structural difficulties also deter inflows of foreign direct investment (FDI) and more generally, perpetuate the dependence on a few highly volatile exports. Domestic supply-side constraints seriously limit export capacity. In many cases, the difficulties are compounded by the heavy burden of external debt service, erosion of trade preferences, deterioration in the terms of trade, and decline in the overall level of official development assistance (ODA).

19. Marginalization is also faced by the most vulnerable groups in all countries. Increased competition under a liberalized global economy therefore calls for greater concern for the promotion of equitable distribution of income and greater access to resources through equity and equality of opportunity for all. Globalization should be balanced by social progress through policies that encourage job-creating growth and ensure social safety nets.

C. Official development assistance

20. ODA remains an essential source of external funding. The overall decline in ODA is a cause for serious concern. Moreover, a significant proportion of ODA is funding emergency relief, thereby affecting availability for long-term development needs.

21. It is important to reverse the overall decline in ODA flows and to achieve internationally agreed ODA targets as soon as possible. Such assistance should focus on developing countries, with particular priority to Africa and the least developed countries. Some donor countries have achieved or exceeded the accepted United Nations targets to allocate 0.7 per cent of GNP for overall ODA and 0.15 per cent of GNP for ODA for the least developed countries and are encouraged to continue to do so. Other developed countries reaffirm the commitments undertaken to fulfil these targets as soon as possible. Countries that are in a position to do so should strive to augment their assistance in the framework of development cooperation. The statements made by some countries to increase ODA are welcome.

22. The Council welcomes the decision of the IMF Interim Committee to make the Enhanced Structural Adjustment Facility (ESAF) a permanent facility. Further efforts are called for to ensure that internationally supported adjustment programmes, including ESAF-supported programmes, incorporate social safety measures and restructuring of public expenditure, including increases in expenditure related to primary education and primary health services, in line with the recommendations of the World Summit for Social Development. The speed and sequencing of these programmes and safeguards for social equity are critical for their success.

23. In order that international financial facilities, particularly the International Development Association (IDA), have more positive effects on development, the commitments for their replenishment, including the eleventh replenishment of IDA, should be fully implemented in a timely manner. Contributions to multilateral financial facilities have fallen off. It is essential that multilateral aid disbursements are not disrupted but are maintained or increased.

D. External debt

24. One of the specific obstacles over the past decade to the development efforts of many developing countries, in particular those in Africa and the least developed countries, has been the heavy burden of external debt-servicing. Even with sound economic policies and the full application of the debt-rescheduling arrangements of the past few years, a number of countries continue to face an unsustainable level of external debt-servicing. Debt-service problems of middle-income countries should also continue to be addressed effectively.

25. There is an urgent need for effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, and to help them exit from the rescheduling process. The evolving debt strategy has contributed to the improvement in the debt situation of a number of developing countries. Debt-relief measures have been undertaken by creditor countries both within the framework of the Paris Club and through their cancellation and equivalent relief of bilateral official debt.

26. The international community, including the international financial institutions, is invited to continue to explore ways of implementing additional and innovative measures to alleviate substantially the debt burdens of developing countries, in particular of the highly indebted low-income countries, in order to help them to achieve sustained economic growth without falling into a new debt crisis.

27. In this context, the Heavily Indebted Poor Countries (HIPC) Debt Initiative is welcomed. Its timely and speedy implementation is called for. The implementation of the Initiative requires additional financial resources from both bilateral and multilateral creditors without affecting the support required for development activities of developing countries. The urgent need is stressed for developed countries to give the Initiative the support it both needs and deserves and to implement it flexibly to ensure that the performance already achieved is taken into account in determining the duration of adjustment required to reach, with the assistance of all creditors, an exit from debt rescheduling. The importance of implementing the Initiative's eligibility criteria flexibly, in a transparent manner, and with the full involvement of the debtor country, and of continuously evaluating and actively

monitoring the implications of the existing terms of the eligibility criteria in the implementation of the Initiative, so as to ensure sufficient coverage of heavily indebted poor countries, are also stressed.

E. Volatility and vulnerability

28. The increased integration of the world economy has the potential for increased volatility, particularly in international financial markets. The volatility in prices of primary commodities, interest rates and exchange rates has a disproportionate impact on developing countries. Integration of financial markets also tends to increase the downside risk of a sudden reversal of financial flows for an individual country, as well as the possibility of spillover effects on others.

29. The dramatic increase in capital flows to emerging markets has contributed to sustained economic growth, but it has also complicated macroeconomic management. Sound macroeconomic policies remain an essential ingredient to prevent volatility, but speculative capital movements can threaten the stability of countries.

30. The prevention of financial crises will require enhanced early warning mechanisms, including improved and effective surveillance of national and international financial markets. It will also require that multilateral institutions have the capacity to respond in a quick and coordinated fashion to potential crises. IMF is encouraged to fully exercise its role of overseeing the international monetary system to ensure its effective operation. In this regard, the efforts undertaken since 1995 to strengthen surveillance, to ensure that IMF is better equipped to identify emerging crises at an early stage and to facilitate its rapid response to such crises are welcomed.

31. It is recognized that there is a need to strengthen international cooperation and consultation to prevent spillover effects of crises associated with the volatility of financial flows. International action is required to improve and coordinate regulatory frameworks for international financial transactions.

32. The importance of ensuring that IMF has sufficient resources to assist its members is underlined. In this connection, the timely conclusion of the

general review of quotas is encouraged. Potential participants are called upon to ensure that the New Arrangements to Borrow become effective as soon as possible.

F. Foreign direct investment

33. Most developing countries have liberalized their FDI alongside their trade regimes. Although most FDI and portfolio capital still flow to industrialized countries, an increasing proportion is going to developing countries. However, FDI and portfolio flows are highly concentrated, mostly in parts of Asia and Latin America. In recent years, Africa has received only a very small part of total net private flows despite extensive reforms that continue to be implemented.

34. The growth in FDI in developing countries is of particular importance. A challenge to the international community in contributing to an enabling environment for development lies in encouraging capital and investment flows across a broader range of developing countries.

35. FDI plays an increasingly important role in economies in transition. These countries would benefit more if the structure of FDI better reflected the need for investments in productive and export sectors of their economies. Creating a favourable investment climate would facilitate this aim.

36. In the light of the increasing importance of foreign direct investment in the world economy, the Council notes that UNCTAD, WTO and the other organizations concerned are studying the relationship between trade and investment.

G. Trade and commodities

37. An open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system is a key element in fostering an enabling environment for development and is also essential for deepening the flow of technology and information around the world. There is a need to promote the universality of WTO and to facilitate the admission, in an expeditious manner, to membership in that organization of developing countries and of countries with economies in transition applying for membership, through transparent implementation of the relevant WTO provisions in this regard.

38. Trade liberalization should eliminate discriminatory and protectionist practices in international trade relations, which will have the effect of improving access for the exports of developing countries and should cover

access to technology, to distribution channels and to information networks. With the growing internationalization of the services sector, further action should be taken to facilitate the participation of developing countries in international service liberalization.

39. The importance of fully and expeditiously implementing the Marrakesh Declaration, the Ministerial Decision on Measures in Favour of Least Developed Countries and the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries is stressed.

40. Commodity exports continue to play a key role in the economies of many developing countries. Diversification of their economies is essential for their development. The international community should endeavour to improve the functioning of commodity markets with greater transparency and more stable and predictable conditions and should provide greater access to the export products of those countries.

41. Continuing concerted action is needed to remove lingering, disguised and other obstacles to free and open trade. The liberalization of trade regimes and the promotion of an open and secure multilateral trading system are central requirements for the promotion of economic development. All countries have a shared interest in an open, rule-based, equitable, non-discriminatory, transparent and predictable multilateral trading system. All Governments should commit themselves to the liberalization of trade and investment policies and should foster international cooperation towards this goal. Without prejudice to the clear understanding in WTO that future negotiations, if any, regarding a multilateral agreement on investment will take place only after an explicit consensus decision, future agreements on investments should take into account the objectives of sustainable development, and when developing countries are parties to these agreements, special attention should be given to their need for investment. The Uruguay Round Agreements provide the framework for an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system. All members of WTO should implement their commitments fully and all provisions of the Final Act of the Uruguay Round should be effectively applied to maximize economic growth and the development benefits for all, taking into account specific interests of developing countries. The full realization of the anticipated benefits

from the conclusion of the Uruguay Round also requires that confidence in the integrity and credibility of the multilateral trading system be upheld. In this respect, the WTO dispute settlement mechanism is a key element of the credibility of the multilateral trade system. It is essential for all countries to respect and fulfil the totality of the undertakings of the Uruguay Round. Unilateral actions of a protectionist nature, inconsistent with multilateral trade agreements, should be avoided and prevented. Appropriate monitoring measures should continue to ensure that, in the implementation of the Uruguay Round, the rights, interests and concerns of all countries are protected, recognized and redressed. In this context, the importance of continuing and intensifying international dialogue on issues of interest for developing countries, in particular the least developed countries among them, in appropriate forums, is recognized.

42. The strengthening of the supply capacity of exportable goods and services in the least developed countries, as well as market access, is called for. The Council encourages the United Nations system, including IMF and the World Bank, WTO and UNDP, to provide coordinated support for action in this area, and urges all countries to participate in the forthcoming High-Level Meeting on Integrated Initiatives for Least Developed Countries, organized by WTO, UNCTAD, the International Trade Centre, the World Bank and IMF, which is to be held on 27 and 28 October 1997.

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INTEGRATED AND COORDINATED IMPLEMENTATION AND FOLLOW-UP OF THE MAJOR INTERNATIONAL UNITED NATIONS CONFERENCES AND SUMMITS

Draft resolution submitted by the Vice-President of the Council, Mr. Anwarul Karim Chowdhury (Bangladesh), as a result of informal consultations

Integrated and coordinated implementation and follow-up of the major United Nations conferences and summits

The Economic and Social Council,

Recalling General Assembly resolutions 45/264 of 13 May 1991 on restructuring and revitalization of the United Nations in the economic, social and related fields, 46/235 of 13 April 1992, 48/162 of 20 December 1993 and 50/227 of 24 May 1996 on further measures for the restructuring and revitalization of the United Nations in the economic, social and related fields, and 51/240 on the Agenda for Development, its agreed conclusions 1995/1 on coordinated follow-up by the United Nations system and implementation of the results of the major international conferences organized by the United Nations in the economic, social and related fields, and its resolution 1996/36 on follow-up to the major international United Nations conferences and summits, including the implementation of their respective programmes of action,

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Recognizing the efforts made by the Secretary-General, through the Administrative Committee on Coordination, for establishing coordinating inter-agency mechanisms in support of integrated and coordinated follow-up of the major international conferences and summits,

Recognizing also that coordinated follow-up implies that the major conferences should be viewed as interlinked and contributing to an integrated framework of and a global partnership for development; in this context, major cross-cutting themes established in the world conferences need to be identified and built upon,

Taking note of the report of the Secretary-General [1] on integrated and coordinated implementation and follow-up of the major United Nations conferences and summits and of the report of the Director-General of the Food and Agriculture Organization of the United Nations [2] on the outcome of the World Food Summit, including action to be taken to follow-up the outcome at all appropriate levels,

1. Stresses the need to further promote integrated and coordinated implementation and follow-up of the major international conferences in the economic, social and related fields;

2. Reaffirms that system-wide gender mainstreaming must form an integral part in the implementation of decisions of recent United Nations conferences and summits;

3. Welcomes the decision taken by the Administrative Committee on Coordination to integrate the follow-up of the World Food Summit and the United Nations Conference on Human Settlements (Habitat II) within the context of integrated and coordinated implementation and follow-up of United Nations conferences;

4. Requests all organizations of the United Nations system to further integrate the results of the major international conferences and summits into their programmes of work, to promote the effective implementation of the goals and commitments established by the United Nations conferences and to continue to contribute relevant information, analyses and assessment in support of the Council's own thematic and action-oriented reviews; in this context,

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[1] E/1997/73.

[2] A/52/132-E/1997/57, annex.

consideration may be given to the possibility of bringing out, on the basis of national reporting, a country-wise compendium of best practices of their implementation at the field level;

5. Reaffirms the need to continue to ensure the harmonization and coordination of the agendas and work programmes of the functional commissions by promoting a clearer division of labour among them and by providing clear policy guidance to them. To this end the Council could periodically organize meetings on specific issues to allow for more dialogue with the chairpersons and the secretariats, as appropriate, of the functional commissions, other subsidiary and related bodies and the relevant executive boards. The Bureau should also assist the Council in identifying economic, social and related issues for discussion at its sessions, and should maintain contacts with the bureaux of the functional commissions and other subsidiary bodies, thus allowing for better interaction between the Council and those bodies and assisting the Council to better fulfil its role. The Secretariat should assist the Council by ensuring that all functional commissions are made aware of the relevant recommendations of the Council and of the relevant work of other functional commissions so that they are well focused and supportive of each other's work programmes;

6. Stresses the importance of ensuring that reports on conference follow-up submitted to the Council and its functional commissions draw on the experiences gained at all levels and also stresses the need, for this purpose, of enhancing cooperation in the preparation of such reports between relevant departments of the United Nations Secretariat and the United Nations funds and programmes;

7. Decides to take appropriate measures to ensure that the regional commissions, within their respective mandates and priorities, can carry out their important role in assisting countries in each region in the integrated implementation of the recommendations of the major United Nations conferences and summits as well as to ensure the active participation of the regional commissions relating to the implementation at the regional level of the results of major United Nations conferences; to this end, the Council shall continue to enhance coordination with and among the regional commissions, including through more effective participation by them in its substantive work relating to conference follow-up;

8. Stresses the need for the Administrative Committee on Coordination to ensure that the highest priority continues to be given to the integrated and coordinated implementation and follow-up of the major United Nations conferences and summits;

9. Stresses also the need for the Administrative Committee on Coordination to ensure that there is effective inter-agency support to the work of the intergovernmental bodies dealing with conference follow-up, including the Council and its functional commissions, and that there is regular updating and feedback on the incorporation of the work of the task forces at the country level. The Council should be kept fully informed of the work and decisions of that Committee concerning integrated and coordinated implementation and follow-up of the major United Nations conferences and summits;

10. Encourages the Administrative Committee on Coordination to include, in its comprehensive review of the integrated and coordinated implementation and follow-up to the major United Nations conferences and summits, progress in the area of statistics and indicators, taking into account the work done by the Statistical Commission as well as other ongoing work, particularly the work being done in developing countries;

11. Calls upon the organizations of the United Nations system to continue to give priority attention to the provision of effective support to the resident coordinators, including by the full utilization and implementation of outputs of the task forces;

12. Stresses the need for a partnership with organizations of civil society in the integrated and coordinated implementation and follow-up of the major United Nations conferences and summits;

13. Reiterates the importance of the provisions on the mobilization of resources contained in its agreed conclusion 1995/1 for the effective implementation of the results of the major international conferences in the economic, social, and related fields;

14. Decides to include in the agenda of its substantive session on an annual basis the item entitled "Integrated and coordinated implementation and follow-up of the major United Nations conferences and summits", and requests

the Secretary-General, in cooperation with organizations of the United Nations system, to submit to it a report on the progress achieved by the United Nations system at the intergovernmental, inter-agency and country level, with specific recommendations on ways to enhance the integrated and coordinated implementation and follow-up of the major United Nations conferences and summits.

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IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 50/227

Draft decision submitted by the Vice-President of the Council, Mr. Anwarul Karim Chowdhury (Bangladesh), as a result of informal consultations

Review of subsidiary bodies of the Economic and Social Council

The Economic and Social Council,

Recalling General Assembly resolution 50/227 of 24 May 1996, in which the Assembly, inter alia, decided that the Council should undertake a review of the mandates, composition, functions and working methods of its functional commissions and expert bodies and should, as a matter of priority, consider the role, working methods and relationship with other bodies of the Commission on Science and Technology for Development, the Committee for Development Planning, the Committee on New and Renewable Sources of Energy and on Energy for Development and the Committee on Natural Resources,

Recalling its resolution 1996/41 of 26 July 1996 on the follow-up to General Assembly resolution 50/227,

Taking into account the work done during its substantive session of 1997, including preparatory consultations in New York and views and positions expressed by Member States as well as inputs provided by the Economic and Social Council secretariat and the substantive secretariats servicing the bodies under priority consideration,

1. Decides to continue, at its resumed substantive session of 1997, consideration of its review in accordance with General Assembly resolution 50/227, annex I, paragraphs 70 and 71, and Council resolution 1996/41;

2. Takes note of the summary of the review exercise as undertaken at its substantive session of 1997, submitted by the Vice-President of the Council, which is contained in the annex to the present resolution;

3. Requests the President of the Council to transmit the summary also to the Presidents of the General Assembly at its fifty-first and fifty-second sessions, for consideration under relevant items of the agenda of the Assembly.

Annex

SUMMARY BY THE VICE-PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL, AMBASSADOR ANWARUL KARIM CHOWDHURY (BANGLADESH), OF THE INFORMAL CONSULTATIONS ON THE FOLLOW-UP TO GENERAL ASSEMBLY RESOLUTION 50/227: REVIEW OF THE COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT, THE COMMITTEE FOR DEVELOPMENT PLANNING, THE COMMITTEE ON NEW AND RENEWABLE SOURCES OF ENERGY AND ON ENERGY FOR DEVELOPMENT AND THE COMMITTEE ON NATURAL RESOURCES

In the preparations for the substantive session of 1997 of the Economic and Social Council in New York and during the session itself in Geneva, several rounds of consultations were held, in pursuance of General Assembly resolution 50/227, relating to a review of the Commission on Science and Technology for Development, the Committee for Development Planning, the Committee on New and Renewable Sources of Energy and on Energy for Development and the Committee on Natural Resources as part of the Council's review of its subsidiary bodies. These consultations were assisted by the valuable background information and ideas/suggestions provided at the request of the Member States by the chairpersons of the bodies under priority review, the secretariat of the Council and other relevant substantive secretariats. The Group of 77 and China and the European Union also submitted written comments and proposals for consideration in the review exercise. On the basis of these various inputs, an informal outline for discussion (dated 30 June 1997) was presented by the Vice-President as mandated. During the substantive session, a comprehensive review of the mandates, composition and working methods of each of the four bodies under review was carried out.

The present summary, prepared by the Vice-President, of the issues addressed is intended to facilitate further consultations.

On process, the broad perception during the consultations was that:

- The intergovernmental process mandated by General Assembly resolution 50/227 should continue at the resumed substantive session of 1997; it was also argued, however, that the Council's review would benefit from further information, to be provided by the Secretary-General;
- There was a need to coordinate the intergovernmental process of the review to ensure there was no duplication.

On the Commission on Science and Technology for Development, the main areas of concern were as follows:

- The role of the Commission, its profile and its impact;
- Intergovernmental oversight, its relationship with the Council and the Trade and Development Board as well as other intergovernmental bodies, including the Commission on Sustainable Development;
- Coordination, inter alia, through its agenda and work programme;
- The relationship between the Commission and its substantive secretariat, and with organizations of the United Nations system;
- The size, composition and completion of membership (vacancies, regional balance and the like).

On the Committee for Development Planning, the main areas of concern were as follows:

- The role of the Committee in preparing for development discussions in the Council, particularly during its high-level segment, as well as its role in the identification and analysis of new and emerging trends and issues in the area of development;
- The name of the Committee: it could be changed to Committee for Development Policies, as suggested by the Committee itself, or to Committee for Development Issues;
- The role of the Committee in reviewing the list of the least developed countries: whether this function could be carried out by some other United Nations body;
- Clarification of the relationship between the Committee and the Secretary-General's High-Level Advisory Board on Sustainable Development.

On the Committee on New and Renewable Sources of Energy and on Energy for Development, the main areas of concern were as follows:

- How to effectively deal, at an expert level, with the energy issue, which is of particular importance for the developing countries;
- The place of the Committee in the subsidiary machinery of the Council: should it report to the Council directly or through the Commission on Sustainable Development;

- Arrangements for dissemination and use of the reports of the Committee;
- Linkages with other United Nations bodies.

On the Committee on Natural Resources, the main areas of concern were as follows:

- The place of the Committee in the machinery of the Council and its relationship with other bodies, particularly the Commission on Sustainable Development and the Committee on New and Renewable Sources of Energy and on Energy for Development;
- Whether issues of freshwater require separate consideration in the Committee or can be discussed in the Commission on Sustainable Development;
- How to address effectively the issue of minerals and whether it is fea ible to combine this function with the work on energy in the Committee on New and Renewable Sources of Energy and on Energy for Development;
- Arrangements for dissemination and use of the reports of the Committee.

Appendix

Informal outline for discussion on the Commission on Science and Technology for Development, the Committee for Development Planning, the Committee on New and Renewable Sources of Energy and on Energy for Development and the Committee on Natural Resources

A. Commission on Science and Technology for Development

- Retain the mandate established by the resolutions of the General Assembly and the Council. In this context, focus particular attention on the issues of transfer of technology and capacity-building.
- Reduce the size of the Commission from 53 members to 24 members, who will be experts nominated by Member States.
- Continue to report directly to the Council.
- Improve coordination with other bodies, including the Commission on Sustainable Development.
- Improve the dissemination of information.

B. Committee for Development Planning

- The name of the Committee is to be changed to Committee for Development Policies/Issues.
- The Committee should perform as an independent advisory body to the Council, providing inputs with regard to various issues/themes being discussed in the Council. Its mandate on the least developed countries is to continue.
- Dissemination of information is to be improved.
- The Council should provide guidance regarding the programme of work of the Committee.
- The composition of the Committee (24 members) should include people from a variety of economic and social disciplines of relevance to its think-tank role. Membership should include those who are able to provide newer perspectives on issues under consideration.

C. Committee on New and Renewable Sources of Energy and on Energy for Development

D. Committee on Natural Resources

- These two Committees are to be merged to form one Committee on Natural Resources and Energy for Development.
- The new Committee will have two panels, one dealing with energy for development including new and renewable sources of energy, and the other dealing mainly with the water resources.
- The Committee should act as an advisory expert body reporting to the Council.
- The new Committee will be composed of 24 experts nominated by Member States: 12 members with adequate and appropriate expertise will serve on each panel.
- The panels should focus on appropriate recommendations for action by the Council.
- The Committee will meet annually for one week in view of the importance of the issues considered by the two panels.
- Dissemination of information and coordination with other United Nations bodies will be improved.

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REPORTS, CONCLUSIONS AND RECOMMENDATIONS OF
SUBSIDIARY BODIES: ENVIRONMENTAL QUESTIONS

Programme budget implications of the draft resolution
contained in document E/1997/L.49

Establishment of an ad hoc open-ended
Intergovernmental Forum on Forests

Statement submitted by the Secretary-General in accordance with rule 31
of the rules of procedure of the Economic and Social Council

1. Under the terms of operative paragraph 1 of the draft resolution, the Economic and Social Council would decide to establish under the aegis of the Commission on Sustainable Development an ad hoc open-ended Intergovernmental Forum on Forests.

2. In accordance with paragraphs 2 and 3, the Council would decide that the Forum should hold its first (organizational) session in New York from 1 to 3 October 1997 as well as three substantive sessions and should submit its report to the Commission on Sustainable Development at its eighth session, in 2000.

3. Under the terms of operative paragraph 4, the Council would recommend that the Forum should schedule its work programme and decide on the modalities of its work, including the election and designation of officers as well as the

duration of its substantive sessions, which could be up to two weeks each, and recognizing the wide range of issues to be addressed, would decide that the Forum may consider dividing its work between in-session working groups, on the understanding that no more than two working groups would meet simultaneously.

4. By operative paragraph 5, the Council would decide that the Forum should be serviced by a small secretariat within the secretariat of the Commission on Sustainable Development, supported by voluntary extrabudgetary contributions from Governments and international organizations, that the operation of the Forum would require funding to support activities as well as meetings and participation by representatives of developing countries and major groups from developing countries, and that the participation of major groups should be in accordance with the rules of procedure of the Commission. In this regard, the following sources of funding should be considered: (a) voluntary extrabudgetary contributions from Governments and international organizations to support the work of the Forum; (b) secondments from international organizations; and (c) in-kind contributions from countries and international organizations, including hosting of meetings.

5. The first (organizational) session of the Intergovernmental Forum on Forests would be held in New York from 1 to 3 October 1997, with interpretation in the six official languages for two meetings a day.

6. The Forum is expected to hold its three substantive sessions, one each in 1998, 1999 and 2000, for a period of up to two weeks each. Full conference services in all six official languages would be required for two simultaneous meetings in the morning and afternoon, for a total of four meetings per day or 40 meetings for each substantive session.

7. The substantive servicing of the Forum would be provided by a small secretariat within the Department of Economic and Social Affairs, to be financed from extrabudgetary resources.

8. In accordance with established practice, the venue of all the sessions of the Intergovernmental Forum on Forests would be New York.

9. On the basis of the above assumptions, the requirements under the regular budget for 1997 and the biennium 1998-1999 related to the establishment of the Forum are estimated, on a full cost basis, as follows:

	1997 US$	1998-1999 US$
Travel of the 53 members of Commission on Sustainable Development to the Forum (first (organizational) session in 1997 and one substantive session each in 1998 and 1999)	132 500	277 000

Conference-servicing requirements

I. First (organizational) session (three days in 1997), New York

	US$
Meeting services (A,C,E,F,R,S) 6 meetings	39 200
Pre-session documentation (A,C,E,F,R,S) 15 pages, 1 document	13 200
In-session documentation (A,C,E,F,R,S) 5 pages, 1 document	4 600
Post-session documentation (A,C,E,F,R,S) 15 pages, 1 document	13 300
Other requirements	3 400
Total I	73 800

	1998 US$	1999 US$
II. Substantive sessions (two weeks each in 1998 and 1999 in New York)		
Meeting services (A,C,E,F,R,S) 40 meetings	260 200	262 400
Pre-session documentation (A,C,E,F,R,S) 16 pages, 5 documents	15 300	15 400
In-session documentation (A,C,E,F,R,S) 4 pages, 5 documents	4 300	4 400
Post-session documentation (A,C,E,F,R,S) 30 pages, 1 document	26 600	27 300
Other requirements	22 800	23 500
Total II	329 200	333 000

10. Should the Economic and Social Council adopt the draft resolution contained in document E/1997/L.49, the costs related to the attendance of the Commission's members to the Forum's sessions in 1997 ($132,500) are expected to be absorbed within existing resources under section 7 A of the approved programme budget for the biennium 1996-1997. The costs for the biennium 1998-1999 (US$ 277,000) represent the additional requirements under section 7 of the proposed programme budget for the biennium 1998-1999. These requirements would be reported to the General Assembly at its fifty-second session and dealt with in accordance with the procedure for the use and operation of the contingency fund established by the General Assembly in its resolutions 41/213 and 42/211.

11. The substantive and conference-servicing costs for the year 2000 would be considered in the context of the preparation of the proposed programme budget for the biennium 2000-2001.

12. As regards the organizational session from 1 to 3 October 1997 in New York, it is to be noted that in practice and as a general rule, conference facilities are strictly limited for the use of the meetings of the General Assembly and its Main Committees during its regular annual session from mid-September until its adjournment in December. However, it would be possible to accommodate, within existing resources, the three-day meeting on the dates indicated, which fall during the general debate segment of the regular session when some limited conference-servicing resources are expected to be available.

13. The requirements for the meetings scheduled during the biennium 1998-1999 are estimated on a full costs basis at US$ 662,200. It should be noted in this regard that estimates for conference costs are based on the theoretical assumption that no part of the conference-servicing requirements would be met from within the permanent conference-servicing capacity included under section 27 E (Conference services) of the proposed programme budget for the biennium 1998-1999. The extent to which the Organization's permanent conference-servicing capacity would need to be supplemented by temporary assistance resources can be determined only in the light of the calendar of conferences and meetings for 1998-1999. Provisions have, however, been made under section 27 E of the proposed programme budget for the biennium 1998-1999 not only for meetings programmed at the time of

budget preparations but also for meetings which might be authorized subsequently, provided that the number and distribution of meetings and conferences are consistent with the pattern of meetings of past years.

Contingency fund

14. It will be recalled that under the procedure established by the General Assembly in its resolutions 41/213 of 19 December 1986 and 42/211 of 21 December 1987, a contingency fund is established for each biennium to accommodate additional expenditures derived from legislative mandates not provided for in the proposed programme budget. Under this procedure, if additional expenditures are proposed that exceed the resources available from the contingency fund, the activities concerned can be implemented only through redeployment of resources from low-priority areas or modifications of existing activities. Otherwise, such additional activities will have to be deferred to a later biennium. A consolidated statement of all programme budget implications and revised estimates will be submitted to the General Assembly at its fifty-second session.

15. No activities could be identified, at this stage, for termination, deferral, curtailment or modification under section 7 (Policy coordination and sustainable development) of the proposed programme budget for the biennium 1998-1999 in order to accommodate the additional requirements of US$ 277,000 referred to in paragraph 10 above.

Summary

16. Should the Economic and Social Council decide to adopt draft resolution E/1997/L.49, additional requirements of US$ 277,000 would be required over and above the resources proposed under section 7 (Policy coordination and sustainable development) of the proposed programme budget for the biennium 1998-1999.